

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### **B&J Wire Inc.**

Chicago Manufacturing Center

### **CMC Helps B&J Turn Red Ink into Black**

#### **Client Profile:**

B&J Wire Inc., located in Chicago, Illinois, manufactures point of purchase metal and wire display racks. B&J employs 92 people.

#### **Situation:**

The number at the bottom of B&J Wire's balance sheet was big. The problem was the ink was red. The bank asked the Chicago-based manufacturer for a plan to turn the situation around. The Chicago Manufacturing Center (CMC), a NIST MEP network affiliate, was contacted to provide support for this task.

#### **Solution:**

When the CMC lean specialists introduced the concept of the kanban and visual workplace, B&J President Ronnie Soltysiak immediately saw possibilities. The lean tools that have been the most beneficial for B&J Wire are a variety of kaizen projects, kanbans combined with cellular manufacturing, and, of course, a radical culture shift. The visuals the company now uses on the shop floor have gone a long way to helping bridge language gaps. And one kanban, in combination with cellular manufacturing, will produce for the company \$500,000 in sales in one year. B&J was able to do this with only two full-time employees. B&J Wire has done three kaizens in four months. "We are actually in a constant state of kaizen," laughs Soltysiak.

Soltysiak candidly admits the company's culture almost did it in. She says before lean, B&J focused on meeting customer needs to the detriment of B&J's needs. No more. Early in 2004, B&J received a \$2 million order from the global retailer. Management debated whether to accept the job because they feared it would not be profitable. "In the past when the company ran orders half that size," said Soltysiak, "materials were stacked in alleys and tucked in cubby holes." After seeing the miraculous savings just a few months of lean produced, B&J Wire accepted the contract with confidence it would make them money. "If that order had come six months earlier, we would have shipped at a loss," admits Soltysiak. Despite an 85 percent increase in labor requirement and a 30 percent increase in steel prices that B&J had to absorb, the company fulfilled its commitment and still made money. "We have significantly more capacity as lean keeps compressing production cycle," says Operations Manager Edwin Brand. "The recent orders have run 20 to 30 percent faster." After just a few months of working with CMC's lean experts, the company's bank is encouraged by the results. By the end of fiscal 2004, B&J expects its profits to match the company's historical highs.

#### **Results:**

- \* Increased sales by 37 percent.
- \* Increased productivity by 25 percent.

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- \* Reduced customer lead times from 6 weeks to 7 days.
- \* Reduced labor costs by 25 percent.
- \* Created two new jobs.
- \* Improved relationships with vendors and employees.

### **Testimonial:**

"We hoped for a lot when we began our lean transformation with CMC, and we got a lot more."

Ronnie Soltysiak, President